



Submission for OMB Review; Comment Request

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Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 9b-1

[SEC File No. 270-429, OMB Control No. 3235-0480]

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 9b-1 (17 CFR 240.9b-1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

Rule 9b-1 (17 CFR 240.9b-1) sets forth the categories of information required to be disclosed in an options disclosure document (“ODD”) and requires the options markets to file an ODD with the Commission 60 days prior to the date it is distributed to investors. In addition, Rule 9b-1 provides that the ODD must be amended if the information in the document becomes materially inaccurate or incomplete and that amendments must be filed with the Commission 30 days prior to the distribution to customers. Finally, Rule 9b-1 requires a broker-dealer to furnish to each customer an ODD and any amendments prior to accepting an order to purchase or sell an option on behalf of that customer or when approving a customer’s account for options trading.

There are 16 options markets¹ that must comply with Rule 9b-1. These respondents work together to prepare a single ODD covering options traded on each market, as well as

¹ The sixteen options markets are as follows: BOX Exchange LLC, Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq

amendments to the ODD. These respondents file approximately 3 amendments per year. The staff calculates that the preparation and filing of amendments should take no more than eight hours per options market. Thus, the total time burden for options markets per year is approximately 384 hours (16 options markets x 8 hours per amendment x 3 amendments). The estimated cost for an in-house attorney is \$420 per hour,² resulting in a total internal cost of compliance for these respondents of approximately \$161,280 per year (384 hours at \$420 per hour).

In addition, approximately 1,020 broker-dealers³ must comply with Rule 9b-1. Each of these respondents will process an average of 3 new customers for options each week and, therefore, will have to furnish approximately 156 ODDs per year. The postal mailing or electronic delivery of the ODD takes respondents no more than 30 seconds to complete for an annual compliance burden for each of these respondents of approximately 78 minutes or 1.3 hours. Thus, the total time burden per year for broker-dealers is approximately 1,326 hours (1,020 broker-dealers x 1.3 hours). The estimated cost for a general clerk of a broker-dealer is \$63 per hour,⁴ resulting in a total internal cost of compliance for these respondents of approximately \$83,538 per year (1,326 hours at \$63 per hour).

PHLX LLC, Nasdaq Options Market (NOM), NYSE Arca, Inc., and NYSE American LLC.

² SIFMA did its last annual survey in 2013 and will not resume the survey process. Accordingly, the \$420 figure is based on the 2013 figure (\$380) adjusted by the inflation rate calculated using the Bureau of Labor Statistics' CPI Inflation Calculator. The \$380 per hour figure for an Attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

³ The estimate of 1,020 broker-dealers required to comply with Rule 9b-1 is derived from Item 12 of the Form BD (OMB Control No. 3235-0012). This estimate may be high as it includes broker-dealers that engage in only a proprietary business, and as a result are not required to deliver an ODD, as well as those broker-dealers subject to Rule 9b-1.

⁴ The \$63 figure is based on the 2013 figure (\$57) adjusted for inflation. See supra note 2. As noted above, SIFMA did its last annual survey in 2013 and will not resume the survey process. Accordingly, the \$63 figure is based on the 2013 figure (\$57) adjusted for inflation. The \$57 per hour figure for a General Clerk is from SIFMA's Office Salaries

The total time burden for all respondents under this rule (both options markets and broker-dealers) is approximately 1,710 hours per year (384 + 1,326), and the total internal cost of compliance is approximately \$244,818 per year (\$161,280 + \$83,538).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

(i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street, NE, Washington, DC 20549, or by sending an e-mail to: PRA_Mailbox@sec.gov.

May 12, 2021.

J. Matthew DeLesDernier,
Assistant Secretary.

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in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. The staff believes that the ODD would be mailed or electronically delivered to customers by a general clerk of the broker-dealer or some other equivalent position.